pattern, an amount upto 5% of the total portfolio has been allowed to be invested in shares of those companies that have an investment grade debt rating from two credit rating agencies.

(d) It is estimated by the Central Pension Accounting Office that the funds referred to in answer to part(a) above is likely to be of the order of Rs. 240 crores as of now.

(e) Does not arise.

Closure of bank branches

†975. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Nationalized Banks are considering to close down their branches in capital and other parts of the country;

(b) if so, the details thereof;

(c) the number of branches of above banks earmarked for closing throughout the country and particularly metropolitan cities;

(d) whether Government consider to open such closed branches in such regions where branches of Nationalized Banks do not exist or these branches are very less in number; and

(e) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir. Under the extant Branch Authorization Policy of the Reserve Bank of India (RBI), Commercial Banks, which include Nationalised banks, are permitted to close any branch in Metropolitan, Urban and Semi-urban centres on commercial considerations, without seeking prior approval from RBI. However, banks are to ensure that customers of the branch, which is being closed, are informed well in advance before actual closing of the branch to avoid inconvenience to them. The extant policy does not permit closure of even loss making branches at rural centres having a single commercial bank branch (excluding Regional Rural Bank branch). The proposals for closure of a rural branch at a centre, which is served by more than one commercial bank branch, are required to be included by the banks in their annual branch expansion plan after obtaining the approval of District Consultative Committee (DCC). Such proposals are considered by the RBI on a case to-case basis as per the extant policy.

(c) As the banks are permitted to close any of their branches at Metropolitan, Urban and Semi-urban centres without seeking prior approval from RBI, reporting to RBI about the branch proposed to be closed is not required. After closure of the branch, banks are required to report to the RBI and surrender the licence of the closed branch for cancellation.

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†Original notice of the question was received in Hindi.

(d) and (e) Government assigns top priority for opening branches in unbanked areas and rural centres. These matters are given priority for financial inclusion of the poor and the weaker Sections so as to bring them within the network of financial services offered by the Banking Sector.

The banks are free to shift their branches to any location within the centre(city/ town/village) and branches located at Metropolitan, Urban and Semi-urban centres within the city/town without prior approval from the RBI. Banks may also shift their branches within the same State. For shifting a rural branch within the same block, approval of RBI is not required. However, the proposal for shifting a branch outside the block is to be included in bank's Annual Plan and submitted to RBI for its approval.

Banks are encouraged to open branches in rural and under-banked areas, keeping in view the factors such as the nature and scope of banking facilities provided by the banks to common persons, actual credit flow to the Priority Sector, need for promoting financial inclusion, introduction of appropriate new products and enhanced use of technology for delivery of banking services.

Creation of fund to stop suicide by farmers

976. DR. VIJAY MALLYA: Will the Minister of FINANCE be pleased to state:

(a) what are the steps taken by Government to stop the large number of suicides being committed by farmers;

(b) whether Government have given any compensation to the families of the farmers who committed suicides; and

(c) whether Government propose to create a fund to help farmers in distress and thus, avoid suicides?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Keeping in view the extreme conditions of the farmers in the 31 districts in Andhra Pradesh, Karnataka, Kerala and Maharashtra, Government is implementing a comprehensive Rehabilitation Package which, *inter alia*, includes ex-gratia assistance from Prime Minister National Relief Fund and Debt Relief Package for farmers. The main items of the package are as under:

(i) The entire interest on overdue loans as on 01.07.2006 will be waived in the 31 affected districts such that all farmers will have no past interest burden as on that date. This should immediately, make them eligible for fresh loan from the banking system. The burden of interest waived will be shared equally by the State Government and the Central Government in the ratio 50:50.

(ii) The overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with a one year moratorium.

(iii) A credit flow of Rs.13,817. 78 crore, Rs. 3,076.20 crore, Rs.1,945.07 crore and Rs.1275 crores will be ensured in the above debt stressed districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra respectively in 2006-07.